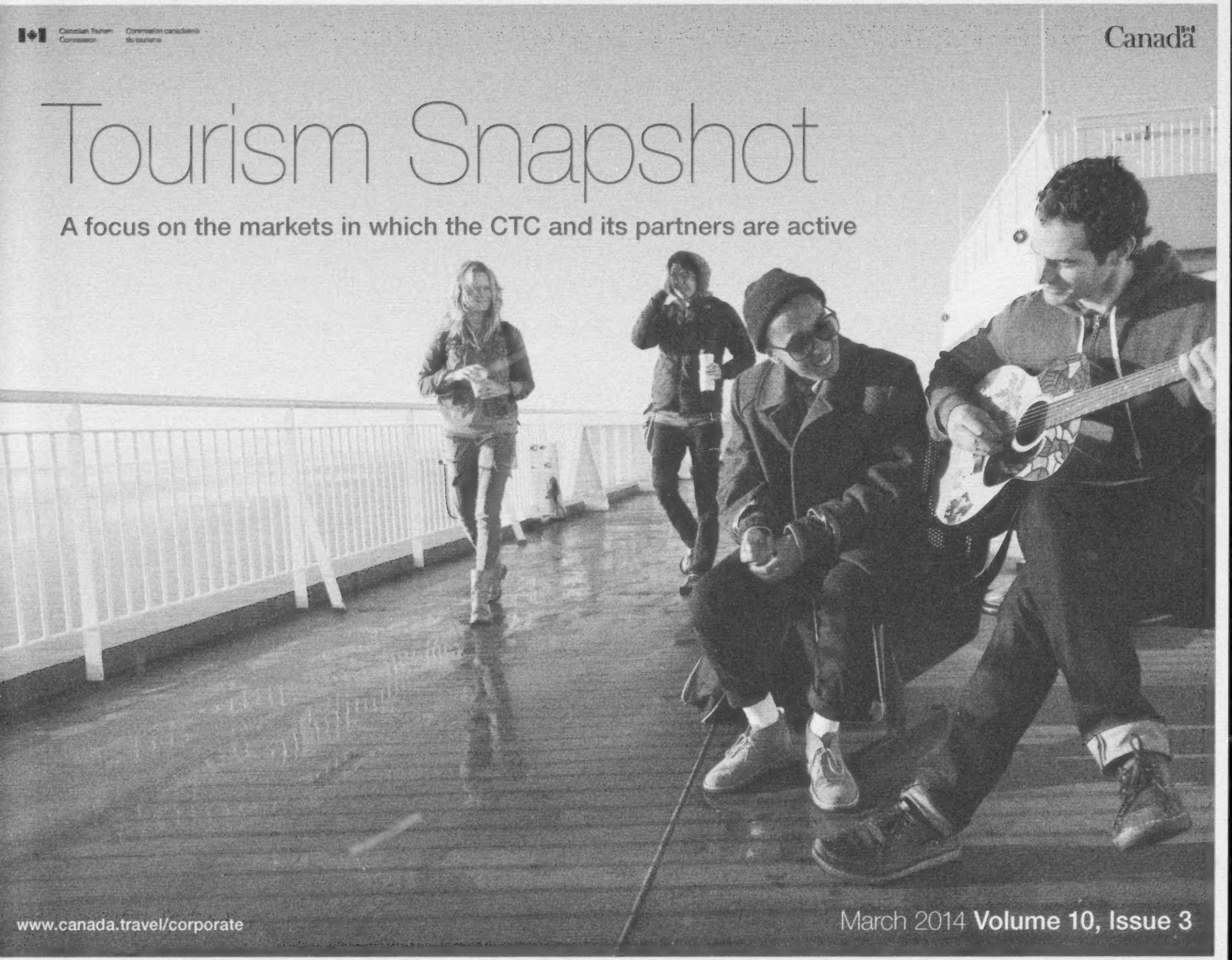
Canadian Tourism Commission / Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active



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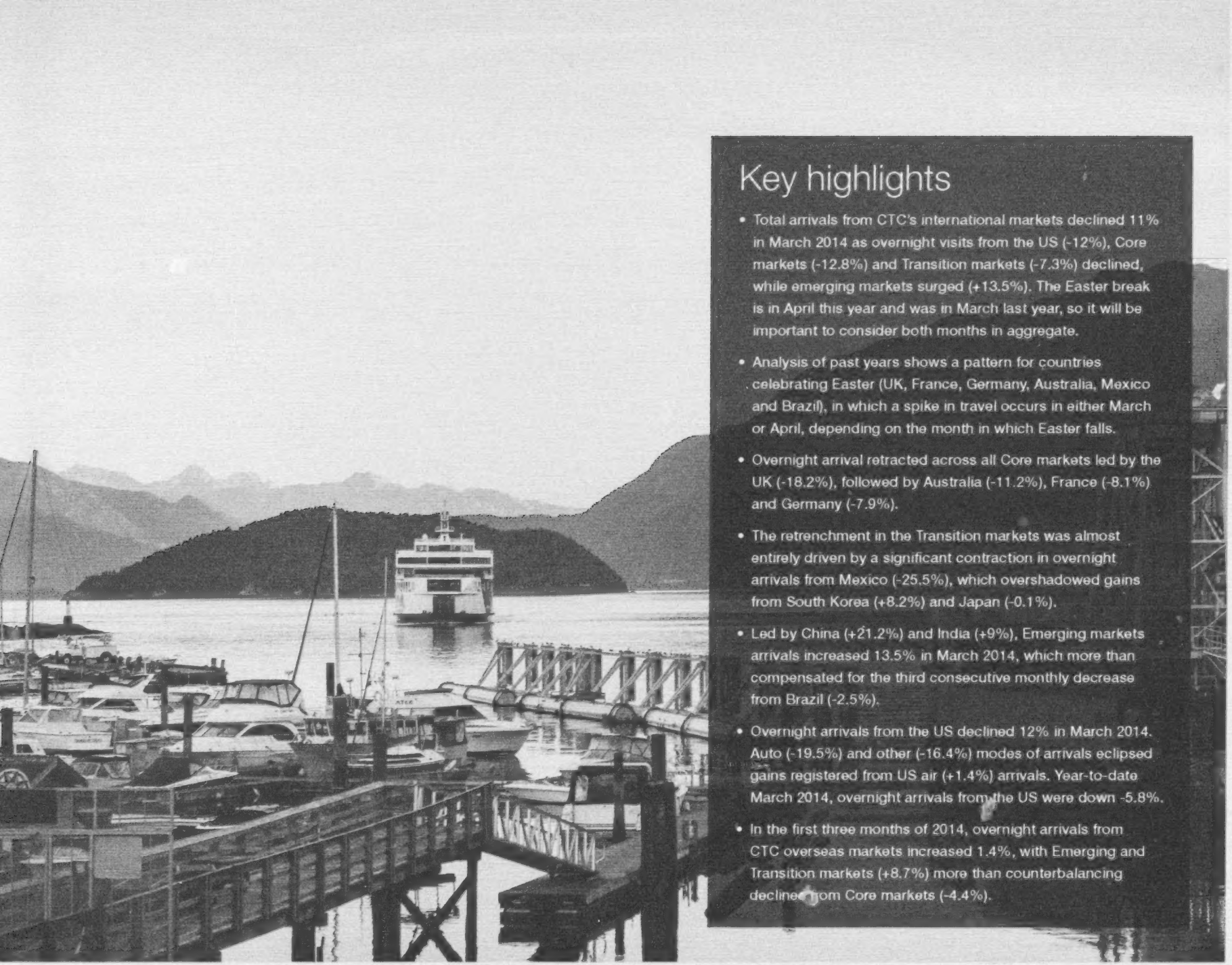
March 2014 **Volume 10, Issue 3**



Key highlights

- Total arrivals from CTC's international markets declined 11% in March 2014 as overnight visits from the US (-12%), Core markets (-12.8%) and Transition markets (-7.3%) declined, while emerging markets surged (+13.5%). The Easter break is in April this year and was in March last year, so it will be important to consider both months in aggregate.
- Analysis of past years shows a pattern for countries celebrating Easter (UK, France, Germany, Australia, Mexico and Brazil), in which a spike in travel occurs in either March or April, depending on the month in which Easter falls.
- Overnight arrival retracted across all Core markets led by the UK (-18.2%), followed by Australia (-11.2%), France (-8.1%) and Germany (-7.9%).
- The retrenchment in the Transition markets was almost entirely driven by a significant contraction in overnight arrivals from Mexico (-25.5%), which overshadowed gains from South Korea (+8.2%) and Japan (-0.1%).
- Led by China (+21.2%) and India (+9%), Emerging markets arrivals increased 13.5% in March 2014, which more than compensated for the third consecutive monthly decrease from Brazil (-2.5%).
- Overnight arrivals from the US declined 12% in March 2014. Auto (-19.5%) and other (-16.4%) modes of arrivals eclipsed gains registered from US air (+1.4%) arrivals. Year-to-date March 2014, overnight arrivals from the US were down -5.8%.
- In the first three months of 2014, overnight arrivals from CTC overseas markets increased 1.4%, with Emerging and Transition markets (+8.7%) more than counterbalancing declines from Core markets (-4.4%).

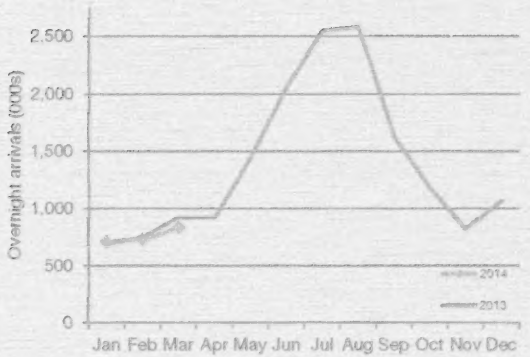
Tourism review Inbound highlights

Overnight trips to Canada

	Mar. 2014	14/13 Mar. % Change	Jan. - Mar. 2014	Year-to-date % Change
United States				
Automobile	315,696	-19.5	859,076	-9.6
Plane	235,853	1.4	616,314	1.6
Other	34,338	-16.4	97,056	-13.2
US Total	**585,887**	**-12.0**	**1,572,446**	**-5.8**
Core Markets				
UK	30,931	-18.2	84,736	-8.6
France	22,685	-8.1	67,201	-3.2
Germany	13,947	-7.9	36,905	0.3
Australia	9,463	-11.2	38,900	-0.9
Core Total	**77,026**	**-12.8%**	**227,742**	**-4.4%**
Emerging/Transition Markets				
Japan	18,148	-0.1	42,186	-0.1
South Korea	8,053	8.2	25,958	5.9
Mexico	10,115	-25.5	27,177	-4.1
Brazil	4,952	-2.5	17,980	-3.6
China	18,386	21.2	66,870	27.7
India	8,585	9.0	22,278	10.5
Emerging/Transition Markets Total	**68,239**	**1.4%**	**202,449**	**8.7%**
CTC Overseas Key Markets	**145,265**	**-6.6%**	**430,191**	**1.4%**
Other Overseas Countries	91,222	-8.0%	254,857	0.6%
Total Non-US Countries	236,487	-7.2%	685,048	1.1%
Total Countries	**822,374**	**-10.7%**	**2,257,494**	**-3.8%**

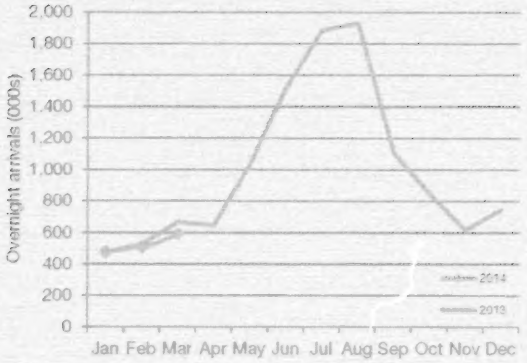
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



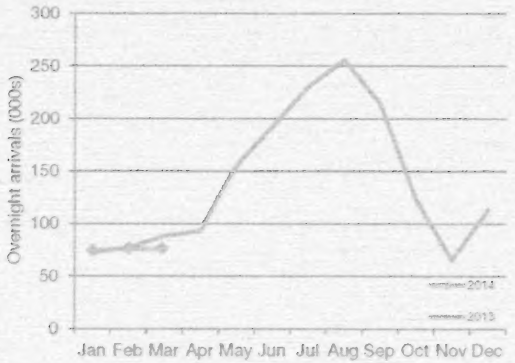
- Canada welcomed approximately 822,400 international visitors in March 2014, a decline of 10.7% compared with the same month in 2013.
- Arrivals from the CTC Core markets all declined, led by the UK (-18.2%), and followed by Australia (-11.2%), France (-8.1%) and Germany (-7.9%), resulting in a 12.8% decrease overall. Year-to-date March 2014, arrivals from CTC Core markets were down 4.4% to 227,742 compared with the same period last year.
- In March, arrivals from Emerging and Transition markets grew 1.4% on strong gains from China (+21.2%), India (+9%) and South Korea (+8.2%) but experienced substantial losses from Mexico (-25.5%) and a slight decrease from Brazil (-2.5%). Year-to-date March 2014, arrivals from CTC Emerging and Transition markets were up 8.7% to 202,449.

United States



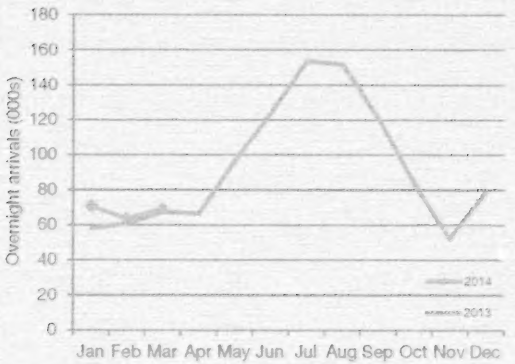
- Overnight visitation from the US dropped 12% to 585,887 in March. While air arrivals (+1.4%) increased modestly, the number of travellers arriving by auto and other means declined 19.5% and 16.4%, respectively. Year-to-date March 2014, arrivals from the US were down 5.8% compared with the same period last year.
- In March, only Alberta (+0.9%) saw a gain in the number of overnight US arrivals. Year-to-date March 2014, BC (+2.8%) was the only province to post an increase in overnight arrivals from the US compared to last year.

Core Markets



- With the Easter celebration in April this year (as opposed to in March last year), arrivals from all CTC Core markets declined, led by UK (-18.2%), and followed by Australia (-11.2%), France (-8.1%) and Germany (-7.9%), resulting in a 12.8% decrease overall in March.
- Though arrivals to most provinces fell in March, French arrivals to Alberta and BC grew (+32.8% and +33.1% respectively).
- During the first three months in 2014, arrivals from the UK (-8.6%) edged down to 84,736, with Saskatchewan, Yukon and Alberta experiencing the largest decreases.

Emerging Markets

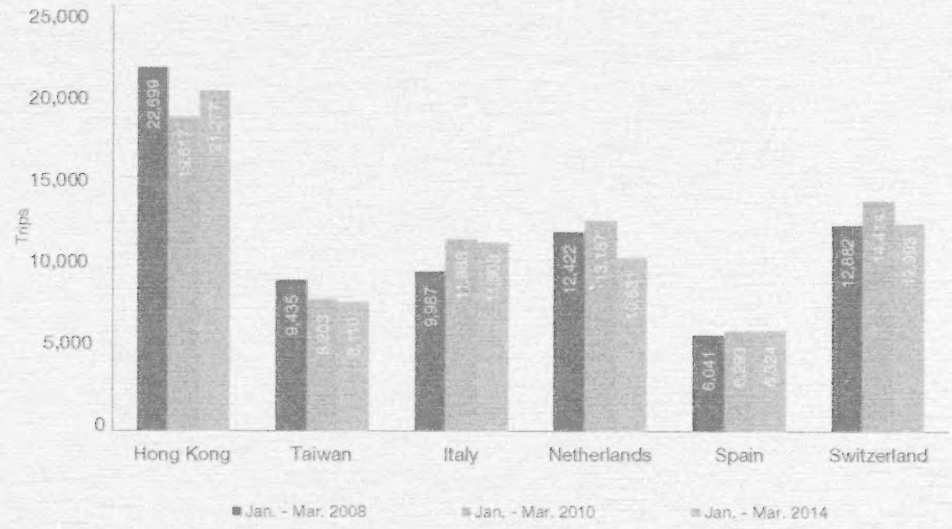


- Growth in arrivals from China (+21.2%) and India (+9%) stood in contrast to contractions from Mexico (-25.5%) and Brazil (-2.5%).
- South Korean arrivals grew (+8.2%), while arrivals from Japan nudged down (-0.1%) over the same month last year.
- Year-to-date March 2014, overall arrivals from CTC's Emerging and Transition markets grew 8.7% compared with last year.

Market Watch

- Arrivals from other selected European markets were mixed, with Italy (+7.7%) and the Netherlands (+6.1%) realizing gains, and Spain (-3.7%) and Switzerland (-2.5%) contracting.
- During the first three months in 2014, arrivals from Taiwan (+7.6%) rose, while arrivals from Hong Kong dropped 5.6% compared to the same period last year.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Mar. 2014	14/13 Mar. % Change	Jan. - Mar. 2014	Year-to-date % Change
Italy	4,176	6.4	11,803	7.7
Netherlands	4,091	13.0	10,831	6.1
Spain	2,350	-12.7	6,324	-3.7
Switzerland	4,452	-13.0	12, 33	-2.5
Hong Kong	6,252	-21.9	21,277	-5.6
Taiwan	2,607	4.2	8,110	7.6

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Competitive review (January - March 2014)**

International Travel (in thousands)

	Trips To:			
	Canada		Australia	
Trips From:		14/13 Change		14/13 Change
Total International	2,257	-3.8%	1,771	7.3%
United States	1,572	-5.8%	155	10.9%
Canada	...	...	44.4	8.0%
Core Markets				
United Kingdom	85	-8.6%	207	3.5%
France	67	-3.2%	31	5.2%
Germany	37	0.3%	55	12.9%
Australia	39	-0.9%	...	...
Emerging/Transition Markets				
Japan	42	-0.1%	88	-1.0%
South Korea	26	5.9%	57	5.7%
Mexico	27	-4.1%	...	...
Brazil	18	-3.6%	12	21.2%
China	67	27.7%	268	16.6%
India	22	10.5%	44	10.6%
Total Key Markets	2,003	-4.3%	960	9.1%

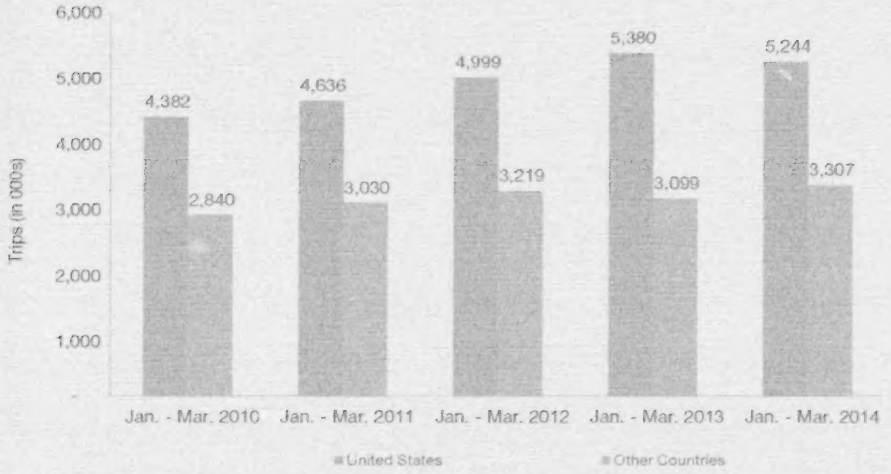
...Not applicable, or data not available.
Note: Statistics Canada preliminary figures.
Sources: Statistics Canada, Tourism Australia.

** US visitation data was not available due to a delay of the change of entry process for US visitors.

- Year-to-date March 2014, Australia (+7.3%) posted a large increase in total international arrivals, while total arrivals to Canada decreased (-3.8%) over 2013.
- Both Australia (+16.6%) and Canada (+27.7%) saw large gains in arrivals from China during the first three months in 2014, making it the top-performing market in terms of growth for Canada and one of the top-performing markets for Australia.
- Arrivals from both Core markets and Emerging/ Transition markets were positive for Australia except for Japan (-1.0%) year-to-date March 2014.
- While Brazil was Australia's top-performing market (+21.2%), Canada saw a 3.6% decrease in the number of arrivals from that country over the first quarter of 2014.
- Overnight arrivals from European markets over the first quarter of 2014 were strong, with Germany registering double-digit growth of 12.9% and France 5.2%.
- North American markets also posted strong growth in arrivals to Australia, up 10.9% from the US and 8% from Canada.

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

- In March 2014, Canadian outbound travel decreased 1.3% compared with the same month last year to approximately 3.4 million trips.
- The number of Canadians visiting the US during the month of March slipped 5.1% to 2.2 million. Canadian overnight travel to overseas destinations (excluding the US) rose 6.6% to 1,216,090 trips.
- Year-to-date March 2014, outbound trips by Canadians grew 0.8% to 8.6 million trips.
- In March 2014, most Canadians re-entered the country from the US through Ontario (1,063,199 entries, -4.6%), BC (446,246 entries, -6.2%) and Quebec (320,926 entries, -3.8%).
- In March 2014, Ontario recorded the largest re-entry of Canadians from overseas countries (560,092 entries, +6.4%), followed by Quebec (268,098 entries, -3.3%) and BC (182,424 entries, +25.5%).

Overnight trips by Canadians

	Mar. 2014	14/13 Mar. % Change	Jan. - Mar. 2014	Year-to-date % Change
United States	2,197,137	-5.1	5,244,187	-2.5
Other Countries	1,216,090	6.6	3,306,676	6.7
Total Trips from Canada	3,413,227	-1.3	8,550,863	0.8

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Consumer outlook

Consumer confidence

- **Canada:** For a third consecutive month, the Conference Board's Index of Consumer Confidence increased in March, with the national value rising 2.9 points to 88.5 (2002 = 100).
- **USA:** The Conference Board Consumer Confidence Index®, which had decreased in February, improved in March. The Index now stands at 82.3 (1985=100), up from 78.3 in February.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In March 2014, the National Occupancy Rate recorded a marginal increase of 1.1 points to 59.2%. Northwest Territories registered the largest increase (+3.6 points), followed by BC and New Brunswick (+2.4 points) respectively.
- Year-to-date March 2014, the National Occupancy Rate rose slightly (+1.1 points to 55.6%) compared with the previous year. BC (3 points) and Prince Edward Island (+1.6 points) saw the largest increases in occupancy while Newfoundland and Labrador (-7.7 points) and Yukon (-3.8 points) saw the largest drops.
- Year-to-date March 2014, the National Average Daily Rate improved to $129.16, up 2.6% compared with the same period in 2013. BC, Alberta and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- During the first three months of 2014, the Average Revenue per Available Room (RevPAR) was $71.84 (+4.6%), with BC posting the strongest growth (+9.3%, $69.38) followed by Ontario (+5.3%, $68.06) and Alberta (+5.2%, $90.22).

Canadian Occupancy Rates, By Province*

	Mar. 2014	14/13 Change^	Jan. - Mar. 2014	Year-to-date Change^
Alberta[1]	69.5	0.8	64.7	0.8
British Columbia	58.1	2.4	53.8	3.0
Saskatchewan	63.2	-4.8	59.7	-4.6
Manitoba	61.4	0.4	55.7	-3.0
Ontario	57.9	2.3	54.8	1.5
Quebec	56.7	-0.4	54.8	0.7
New Brunswick	51.3	2.4	45.6	1.3
Nova Scotia	54.2	-1.8	48.7	0.7
Newfoundland	56.0	-6.1	51.2	-7.7
Prince Edward Island	29.1	1.9	32.0	1.6
Northwest Territories	78.9	3.6	73.5	1.5
Yukon	63.5	0.0	55.2	-3.8
Canada	**59.2**	**1.1**	**55.6**	**1.1**

* Note: Based on the operating results of 220,047 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

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